United Nations A/56/715/Add.1

General Assembly

Distr.: General
19 June 2002
English
Original: Spanish

Fifty-sixth session
Agenda item 136

Financing of the United Nations Transitional Administration in East Timor

Report of the Fifth Committee

Rapporteur: Mr. Santiago **Wins** (Uruguay)

I. Introduction

1. The previous recommendation made by the Fifth Committee to the General Assembly under agenda item 136 appears in the report of the Committee contained in document A/56/715.

2. The Fifth Committee resumed its consideration of the item at its 58th and 60th meetings, on 22 May and 17 June 2002. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/56/SR.58 and 60).

3. For its further consideration of the item, the Committee had before it the following documents:

(a) Report of the Secretary-General on the final disposition of the assets of the United Nations Transitional Administration in East Timor (A/56/890);

(b) Report of the Secretary-General on the financial performance of the United Nations Transitional Administration in East Timor for the period from 1 July 2000 to 30 June 2001 (A/56/922);

(c) Report of the Secretary-General on the budget for the United Nations Mission of Support in East Timor for the period from 1 July 2002 to 30 June 2003 (A/56/932 and Corr.1);

(d) Note by the Secretary-General on the transitional financing arrangements for the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor for the period from 1 July 2001 to 30 June 2002 (A/56/947);

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(e) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/56/887, A/56/945 and A/C.5/56/SR.58).

II. Consideration of draft resolution A/C.5/56/L.78

4. At the 60th meeting, on 17 June, the representative of Argentina and coordinator of informal consultations on the item, introduced, on behalf of the Chairman, a draft resolution entitled "Financing of the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor" (A/C.5/56/L.78).

5. At the same meeting, the Committee adopted draft resolution A/C.5/56/L.78 without a vote (see para. 6).

III. Recommendation of the Fifth Committee

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor

The General Assembly,

Having considered the reports of the Secretary-General on the financing of the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor,[1] the related note of the Secretary-General[2] and the related reports of the Advisory Committee on Administrative and Budgetary Questions,[3]

Recalling Security Council resolution 1272 (1999) of 25 October 1999 regarding the establishment of the United Nations Transitional Administration in East Timor and the subsequent resolutions, by which the Council extended the mandate of the Transitional Administration, the latest of which was resolution 1392 (2002) of 31 January 2002,

Recalling also its resolution 54/246 A of 23 December 1999 on the financing of the Transitional Administration and its subsequent resolutions thereon, the latest of which was resolution 56/249 of 24 December 2001,

Recalling further Security Council resolution 1410 (2002) of 17 May 2002, by which the Council established the United Nations Mission of Support in East Timor as of 20 May 2002 for an initial period of 12 months,

[1] A/56/890, A/56/922 and A/56/932 and Corr.1.
[2] A/56/947.
[3] A/56/887 and A/56/945. See also A/C.5/56/SR.58.

Recognizing that the costs of the Mission are expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations,

Recognizing also that, in order to meet the expenditures of the Mission, a different procedure is required from that applied to meet expenditures of the regular budget of the United Nations,

Reaffirming the general principles underlying the financing of United Nations peacekeeping operations, as stated in General Assembly resolutions 1874 (S-IV) of 27 June 1963, 3101 (XXVIII) of 11 December 1973 and 55/235 of 23 December 2000,

Noting with appreciation that voluntary contributions have been made to the trust fund for the multinational force,

Also noting with appreciation that voluntary contributions have been made to the Trust Fund for the United Nations Transitional Administration in East Timor,

Mindful of the fact that it is essential to provide the Mission with the necessary financial resources to enable it to fulfil its responsibilities under the relevant resolutions of the Security Council,

1. *Takes note* of the status of contributions to the United Nations Transitional Administration in East Timor as at 30 April 2002, including the contributions outstanding in the amount of 101 million United States dollars, representing some 8 per cent of the total assessed contributions, notes with concern that only 25 Member States have paid their assessed contributions in full, and urges all other Member States, in particular those in arrears, to ensure payment of their outstanding assessed contributions;

2. *Expresses its appreciation* to those Member States which have paid their assessed contributions in full, and urges all other Member States to make every possible effort to ensure payment of their assessed contributions to the Transitional Administration in full and on time;

3. *Expresses concern* about the financial situation with regard to peacekeeping activities, in particular as regards the reimbursements to troop contributors that bear additional burdens owing to overdue payments by Member States of their assessments;

4. *Also expresses concern* at the delay experienced by the Secretary-General in deploying and providing adequate resources to some recent peacekeeping missions, in particular those in Africa;

5. *Emphasizes* that all future and existing peacekeeping missions shall be given equal and non-discriminatory treatment in respect of financial and administrative arrangements;

6. *Also emphasizes* that all peacekeeping missions shall be provided with adequate resources for the effective and efficient discharge of their respective mandates;

7. *Reiterates its request* to the Secretary-General to make the fullest possible use of facilities and equipment at the United Nations Logistics Base at Brindisi, Italy, in order to minimize the costs of procurement for the Mission;

8. *Endorses* the conclusions and recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions,[4] and requests the Secretary-General to ensure their full implementation;

Performance report for the United Nations Transitional Administration in East Timor for the period 1 July 2000 to 30 June 2001

9. *Takes note* of the financial performance report of the United Nations Transitional Administration for the period from 1 July 2000 to 30 June 2001;[5]

Final disposition of assets for the United Nations Transitional Administration in East Timor

10. *Takes note* of the report of the Secretary-General on the final disposition of the assets of the Transitional Administration;[6]

11. *Approves* the donation of assets to the Government of East Timor;

Financing for the United Nations Transitional Administration in East Timor for the period 1 July 2001 to 30 June 2002

12. *Decides* that the expenditure for the period from 21 May to 30 June 2002 for the transitional financing of the United Nations Mission of Support in East Timor will be met from the appropriation of 455 million dollars for the Transitional Administration for the period from 1 July 2001 to 30 June 2002 provided in its resolution 56/249;

13. *Decides also* to apportion among Member States the amount of 80,096,775 dollars for the period from 1 January to 30 June 2002, representing the balance of the appropriation for the period from 1 July 2001 to 30 June 2002 that has not been apportioned (53 million dollars) and the balance of the amount previously apportioned under its resolution 56/249 that was subject to the extension of the mandate of the Transitional Administration (27,096,775 dollars), in accordance with the levels set out in General Assembly resolution 55/235, as adjusted by the Assembly in its resolution 55/236 of 23 December 2000, and taking into account the scale of assessments for 2002, as set out in its resolution 55/5 B of 23 December 2000;

14. *Decides further* that, in accordance with the provisions of its resolution 973 (X) of 15 December 1955, there shall be set off against the apportionment among Member States, as provided for in paragraph 13 above, their respective share in the Tax Equalization Fund of the estimated staff assessment income of 1,037,502 dollars for the Transitional Administration for the period from 1 January to 30 June 2002, representing the estimated staff assessment income that has not yet been set off in respect of the amount previously apportioned;

[4] A/56/945. See also A/C.5/56/SR.58.
[5] A/56/922.
[6] A/56/890.

Budget estimates for the United Nations Mission of Support in East Timor for the period 1 July 2002 to 30 June 2003

15. *Decides* to continue to use the Special Account established in accordance with General Assembly resolution 54/246 A for the Transitional Administration for the United Nations Mission of Support in East Timor, beginning on 1 July 2002;

16. *Decides also* to appropriate to the Special Account for the United Nations Mission of Support in East Timor the amount of 305,242,700 dollars for the period from 1 July 2002 to 30 June 2003, inclusive of 292 million dollars for the establishment and maintenance of the Mission, 11,825,900 dollars for the support account for peacekeeping operations, and 1,416,800 dollars for the United Nations Logistics Base;

Financing of the appropriation

17. *Decides* to apportion among Member States the amount of 305,242,700 dollars at a monthly rate of 25,436,891 dollars in accordance with the levels set out in General Assembly resolution 55/235, as adjusted by the Assembly in its resolution 55/236, and taking into account the scale of assessments for 2002 and 2003, as set out in its resolution 55/5 B, subject to the decision of the Security Council to extend the mandate of the Mission;

18. *Decides also* that, in accordance with the provisions of its resolution 973 (X) of 15 December 1955, there shall be set off against the apportionment among Member States, as provided for in paragraph 17 above, their respective share in the Tax Equalization Fund of 10,150,700 dollars for the period from 1 July 2002 to 30 June 2003, at a monthly rate of 845,891 dollars, comprising the estimated staff assessment income of 8,414,200 dollars approved for the Mission for the period from 1 July 2002 to 30 June 2003, the prorated share of 1,610,300 dollars of the estimated staff assessment income approved for the support account for the period from 1 July 2002 to 30 June 2003 and the increase in staff assessment income of that account for the period from 1 July 2000 to 30 June 2001, and the prorated share of 126,200 dollars of the estimated staff assessment income approved for the United Nations Logistics Base at Brindisi for the period from 1 July 2002 to 30 June 2003 and the reduction in staff assessment income of that account for the period from 1 July 2000 to 30 June 2001;

19. *Decides further* that, for Member States that have fulfilled their financial obligations to the Transitional Administration, there shall be set off against their apportionment, as provided for in paragraph 17 above, their respective share of the unencumbered balance of 35,412,100 dollars and their respective share of other income of 29,140,000 dollars in respect of the financial period ended 30 June 2001, in accordance with the levels set out in General Assembly resolution 55/235, as adjusted by the Assembly in its resolution 55/236, and taking into account the scale of assessments for 2001, as set out in its resolution 55/5 B;

20. *Decides* that, for Member States that have not fulfilled their financial obligations to the Transitional Administration, their respective share of the unencumbered balance of 35,412,100 dollars and other income of 29,140,000 dollars in respect of the financial period ended 30 June 2001 shall be set off against their outstanding obligations in accordance with the scheme set out in paragraph 19 above;

21. *Decides also* that the decrease in the staff assessment income of 2,504,400 dollars in respect of the financial period ended 30 June 2001 shall be set off against the credits from the unencumbered balance referred to in paragraphs 19 and 20 above;

22. *Emphasizes* that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions;

23. *Encourages* the Secretary-General to continue to take additional measures to ensure the safety and security of all personnel under the auspices of the United Nations participating in the Mission;

24. *Invites* voluntary contributions to the Mission in cash and in the form of services and supplies acceptable to the Secretary-General, to be administered, as appropriate, in accordance with the procedure and practices established by the General Assembly;

25. *Decides* to include in the provisional agenda of its fifty-seventh session the item entitled "Financing of the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor".